

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
December 11, 2008

**COMMISSIONERS PRESENT**

Michele Burton, M.P.H.  
Wilma Chan  
Daniel Eaton  
Vicki Marti  
Nancy McFadden

**COMMISSIONERS ABSENT**

Cathie Bennett Warner, Chair  
Marvin Kropke

**EX-OFFICIO MEMBERS PRESENT**

Cathy Halverson, Department of Health Care Services  
Randy Ward, Department of Finance

**EX-OFFICIO MEMBERS ABSENT****CMAC STAFF PRESENT**

J. Keith Berger, Executive Director  
Tacia Carroll  
Paul Cerles  
Nathan Davis  
Denise DeTrano  
Holland Golec  
Mark Klobberdanz  
Katie Knudson  
Jenny Morgan  
Becky Swol  
Mike Tagupa  
Mervin Tamai  
Karen Thalhammer

**I. Call to Order**

The December 11, 2008 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner McFadden. A quorum was present.

**II. Approval of Minutes**

The November 20, 2008 meeting minutes were approved as prepared by CMAC staff.

### **III. Executive Director's Report**

J. Keith Berger, Executive Director, along with Commissioner McFadden formally welcomed Daniel Eaton as CMAC's newest Commissioner. They expressed that they look forward to having him on the Commission and to benefiting from his contributions and guidance as CMAC navigates through the next couple of difficult years.

Mr. Berger informed CMAC that Chair Bennett Warner was recovering from knee surgery and was unable to attend the meeting. On Chair Bennett Warner's behalf, Mr. Berger expressed her sincere apologies for missing the meeting, her appreciation of the willingness of Commissioner McFadden to step in and chair the meeting, as well as to thank her fellow Commissioners and CMAC staff for all of their hard work this year.

Mr. Berger also again publicly thanked the representatives from the Office of Statewide Health Planning and Research (OSHPD) and the California Hospital Association (CHA) who made presentations at the last CMAC meeting regarding the seismic safety program. He said the presentations and associated discussions were very educational.

Mr. Berger noted that because several Commissioners expressed interest in the availability of lists that identified the hospitals that are seismically at risk, CMAC staff has provided them with information regarding lists that OSHPD has created and posted on OSHPD's website. CMAC staff is available to assist if Commissioners have any questions or problems.

As a reminder, Mr. Berger mentioned that CMAC has notified eligible hospitals that staff is commencing Round 4B negotiations for distributions from the Private Hospital Supplemental Fund and Round 4 negotiations for distributions from the Nondesignated Public Hospital Supplemental Fund.

Mr. Berger said that proposals from facilities are due by December 19, and that CMAC action is scheduled for February. The letter template, schedule and required forms are available on the CMAC website, and hard copies can be provided upon request.

At this time, Mr. Berger asked Randy Ward, Department of Finance, if he had any updates that he could share regarding the State budget and the special session.

Mr. Ward stated that unfortunately, the revenue picture appears to be getting worse. Based on his attendance at a budget subcommittee hearing, Mr. Ward informed CMAC that there were proposed reduction recommendations made for the Health and Human Services area similar to those offered previously by the Governor, the Legislature and by the Legislative Analyst. No action was taken by the Legislature, but he noted that there was extensive testimony made by impacted interest groups.

Mr. Berger noted that there is a very full closed session agenda today including 45 managed care and hospital contracts and amendments before the Commissioners for review and action as well as continuing discussions and updates regarding current negotiations and negotiation strategies.

Before he ended his report, Mr. Berger personally thanked the CMAC Commissioners and staff for all of their efforts during the last year. He said that CMAC has continued to work hard at maintaining access for Medi-Cal beneficiaries to hospital inpatient and managed care services at cost-efficient rates during a difficult fiscal period. While next year may be even more difficult, Mr. Berger noted that he is confident that with a full team of Commissioners and staff, CMAC will find a way to effectively achieve that goal again in the upcoming year.

Mr. Berger expressed that it is important to recognize that CMAC could not achieve that goal without the efforts and teamwork of Cathy Halverson and her staff at the Department of Health Care Services and colleagues at the Department of Finance. He thanked both departments for their support, hard work and cooperation in making the contracting programs successful.

Mr. Berger said that he could not end his statement of appreciation without including CMAC's key partners in the Medi-Cal program, the hospitals, health plans and their associations. He said that CMAC understands the sacrifices asked of them and that achieving cost-effective access is only possible because of their continued commitment to providing quality medical care to their communities and to the Medi-Cal population. Mr. Berger thanked them for that and wanted them to know that their partnership will be even more important in the upcoming year as we struggle together to find solutions in this current budget environment.

Mr. Berger noted that CMAC will start the 2009 schedule with its first meeting on January 8. Copies of the CMAC meeting schedule are available at the meeting as well as on the CMAC website.

#### **IV. Department of Health Care Services (DHCS) Report**

Cathy Halverson, DHCS, informed CMAC that there will be major senior management changes within DHCS in the near future. She noted that both Sandra Shewry, Director, and Stan Rosenstein, Chief Deputy Director, have resigned. Replacing Ms. Shewry will be David Maxwell-Jolly, PhD, as the Director of DHCS and replacing Mr. Rosenstein will be Toby Douglas as Chief Deputy Director of Health Care Programs within DHCS. Both appointments will be effective January 1, 2009. Ms. Halverson explained that Mr. Maxwell-Jolly and Mr. Douglas are experienced managers within state government and will bring a wealth of expertise and commitment to serving low-income populations to their new positions, including extensive experience with the programs operated by DHCS.

Ms. Halverson noted that Mr. Rosenstein is retiring after 34 years of state service, with over 31 years in the Medi-Cal program.

Regarding the issue of Treatment Authorization Requests (TAR) for hospital inpatient services, Ms. Halverson indicated that DHCS has an ongoing effort to address concerns that the TAR process has not been conducted consistently throughout California by various DHCS, Utilization Management Division, offices. Certain procedures and services are subject to authorization by these Medi-Cal field offices before reimbursement can be

approved. Ms. Halverson said that the greatest variation was located in Southern California, and that the Utilization Management Division is currently working with the Hospital Association of Southern California to determine how individual TAR's are adjudicated.

Regarding the coverage initiative, Ms. Halverson informed CMAC that after one year of the program, there are 90,000 people currently enrolled in ten counties.

#### **V. New Business/Public Comments/Adjournment**

There being no new business and no comments from the public, Commissioner McFadden, on behalf of all of her fellow Commissioners, publicly thanked CMAC staff, DHCS, DOF, managed care providers, hospital associations and contracted hospitals for working hard through such a difficult year. Commissioner McFadden recessed the open session. Commissioner McFadden opened the closed session and, after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.